

DUTY ON LUMBER.

FEBRUARY 16, 1889.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BRECKINRIDGE, of Arkansas, from the Committee on Ways and Means, submitted the following

REPORT:

[To accompany bill H. R. 3250.]

The Committee on Ways and Means, to whom was referred House bill 3250, have had the same under consideration and report it back to the House with the recommendation that it pass.

The following communications show that the objections which appeared to exist at first were found not to be real:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 7, 1888.

SIR: I am in receipt of your letter of the 6th instant, transmitting a copy of a bill (H. R. 3250) "To amend section twenty-five hundred and six of the Revised Statutes as amended by the act of March third, eighteen hundred and eighty-three, relating to the duty on lumber in certain cases," and requesting to be informed if such bill has my approval, and for any suggestions which I may see fit to make.

The bill proposes to extend the provisions of section 2506, as contained in the act of March 3, 1883, so as to allow the produce of the forests of the State of Minnesota, on the Rainy Lake River, and the Lake of the Woods and their tributaries, owned by American citizens, and sawed in the Provinces of Ontario and Manitoba by American citizens, the same being in part unmanufactured, to be admitted into the ports of the United States free of duty.

Section 2505 of the Revised Statutes as contained in the act of March 3, 1883, which is similar to said section 2506 (except that it relates to the produce of the forests of the State of Maine upon the St. John River and its tributaries), was originally enacted on the 16th day of March, 1866, and section 2506 on the 1st of June, 1866, both allowing the free entry of sawn lumber imported into the United States, claimed to be the produce of the forests of the State of Maine, owned by American citizens, and sawn in the province of New Brunswick.

It is believed that these enactments have been made the cover under which extensive frauds upon the revenue have been perpetrated by the importation, free of duty, of Canadian lumber and lumber owned and sawn by Canadian citizens and manifested and entered as the produce of American forests owned by American citizens.

The impracticability, if not impossibility, of identifying the lumber after it has been sawn and partially manufactured, renders the perpetration of such frauds comparatively easy, and their detection and prevention extremely difficult, notwithstanding that the Department has issued the most stringent regulations upon the subject.

In view of these facts, the propriety of extending the privileges of the statute above referred to to other localities would seem to be questionable, unless it is desired to admit Canadian lumber produced in the provinces of Manitoba and Ontario to free entry.

Respectfully, yours,

C. S. FAIRCHILD,
Secretary.

Hon. C. R. BRECKINRIDGE,
Of Committee on Ways and Means.

WASHINGTON, D. C., *March 19, 1886.*

THE SECRETARY OF THE TREASURY:

MY DEAR SIR: I beg leave to call your attention to the inclosed bill (H. R. 3250), that was heretofore referred to you by the Hon. C. R. Breckinridge, of the Committee on Ways and Means of the House of Representatives, and your response to such reference in your letter of February 7, 1888, addressed to Mr. Breckinridge. In your letter you make use of this language: "It is believed that these enactments have been made the cover under which extensive frauds upon the revenue have been perpetrated by the importation, free of duty, of Canadian lumber and lumber owned and sawn by Canadian citizens, and manifested and entered as the produce of American forests owned by American citizens." While this stricture may be fully justified in respect to Canadian lumber across the boundary line from the State of Maine, it can have no application to the facts connected with the subject-matter of this bill. The timber which it is proposed to reach under the provisions of this bill is located on a couple of the southern tributaries of the Rainy Lake River, in the State of Minnesota. At present this timber can only be utilized and made available by rafting it down these tributaries into the Rainy Lake River, from thence down through the Lake of the Woods to Rat Portage, on the Canadian Pacific Railroad, where Mr. Ryan, the owner of these Minnesota timber lands, has a saw-mill, which is the only saw-mill where this timber can now be sawed. After the timber has been thus sawed into lumber it can be shipped by rail from Rat Portage westerly to Winnipeg, in the province of Manitoba, thence southerly by rail across the boundary line into Minnesota and Dakota, where it is much needed to supply the farmers of the Red River Valley (and this is the only possible outlet for this lumber). There is no danger or likelihood that any fraud can be perpetrated under this act, for the reason that in all this country north of the international boundary line, and between Lake Superior on the east and the Rocky Mountains on the west and Hudson Bay on the north, there is next to no pine at all of any commercial value.

According to my own understanding, as well as the understanding and opinion that prevails generally in Minnesota, the only pine in that country is a little "jack" and stunted pine that grows here and there, in small patches, and is scarcely of any value for commercial purposes. My district embraces the northern half of Minnesota and includes nearly all the standing pine in that State, and I know that for years past more or less pine in the shape of logs has been floated down the Red Lake River into the Red River of the North and from thence into the province of Manitoba and there sold; and the flow of pine logs into the province of Manitoba would still continue were it not for the fact that the supply of logs along this stream has been exhausted (there being no duty on logs going from America into Canadian territory). The pine timber which Mr. Ryan seeks to reach under the provisions of this bill is wholly inaccessible except by the route and in the way indicated, and the lumber is badly needed to supply the people of northwestern Minnesota and northeastern Dakota. I would therefore respectfully ask and suggest to you that in view of the facts that I have above indicated and set forth, whether you would not be inclined to take the view that I do in respect to this proposed legislation, namely, that the objections that exist by way of evading the provisions of the law in respect to the forest across the boundary line from the State of Maine can not apply and have any force as to the forests in the above-mentioned tributaries of the Rainy Lake River, in the State of Minnesota, and I should be glad to know whether or not you concur in the views that I have here expressed. I may also add, in this connection, that Mr. Ryan, the owner of this pine timber, and of the saw mill at Rat Portage, is a citizen and inhabitant of Saint Paul, Minn., and has been for a great many years.

Yours, very truly,

KNUTE NELSON, *M. C., 5th Minnesota.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 23, 1888.

SIR: The Department is in receipt, on the 20th instant, of your letter, without date, in which you call attention to H. R. 3250, entitled "A bill to amend section 2506 of the Revised Statutes, as amended by the act of March third, eighteen hundred and eighty-three, relating to the duty on lumber in certain cases," which proposes to extend the provisions of said section, allowing logs cut in the State of Maine, when sawn in the Province of New Brunswick, to be re-imported free of duty, so as to allow "the produce of the forests of the State of Minnesota on the Rainy Lake River and the Lake of the Woods and their tributaries, owned by American citizens, and sawed in the provinces of Ontario and Manitoba, by American citizens," to also come into the United States free of duty.

The Department, by its letter of the 7th instant addressed to the Hon. C. R. Breckenridge, to which you refer, declined to recommend the passage of the said bill because of the difficulties which now exist regarding the enforcement of the law in the case of Maine lumber, which grow out of the fact that there are large quantities of Canadian lumber on the adjoining territory, and of its being impracticable to identify the lumber after it is sawed, thus rendering it probable that much Canadian lumber comes in free under the fraudulent claim that it is the product of American forests.

In view, however, of the statement contained in your communication that there is no lumber of any consequence in the foreign territory adjacent to Minnesota, where the logs in question are proposed to be cut for the purpose of being sawed in Manitoba, by citizens of the United States, the difficulties which exist in the case of the Maine lumber would seem to have no existence as to lumber from the State of Minnesota, and can not therefore be urged as a valid objection to the passage of the said bill.

Respectfully, yours,

I. H. MAYNARD,
Assistant Secretary.

Hon. KNUTE NELSON,
House of Representatives.

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